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**U.S. House of Representatives**  
**Committee on Financial Services**  
 2129 Rayburn House Office Building  
 Washington, DC 20515

September 23, 2005

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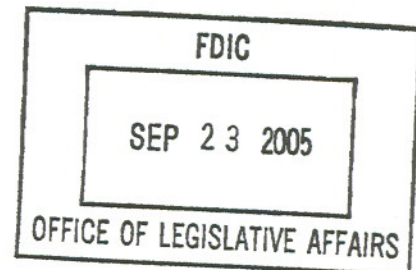
The Honorable Donald E. Powell  
 Chairman  
 Federal Deposit Insurance Corporation  
 550 17th Street, NW  
 Washington, DC 20429

Dear Chairman Powell:

We write to ask that you schedule public hearings on the Industrial Bank Application Package filed by Wal-Mart Stores, Inc. to form Wal-Mart Bank as a Utah industrial bank and that the Federal Deposit Insurance Corporation (FDIC) make public additional portions of the application to enable interested parties to more fully comment on the application as part of the public hearings. Furthermore, we believe that the FDIC should extend the comment period and provide for a sufficient number of hearings at enough locations around the country to enable interested parties who could not otherwise travel to appear and be heard.

As you are no doubt aware, this is a very controversial application filed by the company that is the largest retailer in the world in terms of total revenues and one that has tried repeatedly, without success, to enter the financial services market. In 1999 its effort to purchase a thrift in Oklahoma was blocked by the closing to new entrants of the unitary thrift holding company provision by the Gramm-Leach-Bliley Act. In 2001 Wal-Mart efforts to partner with Toronto Dominion Bank were rejected by the Office of Thrift Supervision (OTS). In 2002 its application to acquire an industrial bank in California was blocked by a change in California law.

The Public File contains a very basic outline of the business plan for Wal-Mart Bank that merely indicates that the bank's activities will be limited to providing access to electronic payments systems and taking deposits from non-profit organizations and deposit brokers. Without access to the presumably more detailed business plan contained in the non-public portion of the application, it is impossible for interested parties to evaluate just how this plan would affect other FDIC insured institutions and communities, and the duration to which Wal-Mart is committed to the plan. Wal-Mart's 2001 application to OTS envisioned offering full banking services in its retail stores, including having retail cashiers function as bank tellers. Since Wal-Mart has indicated in that application that it was interested in activities far more aggressive than the current application, it is vitally important that all interested parties have an opportunity to be able to fully examine the business plan, Wal-Mart's commitment to the plan, and any



reservations the company make regarding deviating from it. That can only be achieved by public disclosure of all the relevant portions of the application and full public comment on the application.

We also note that Wal-Mart has sought an exemption from the Community Reinvestment Act (CRA) for Wal-Mart Bank and we oppose the request. According to the Public File of the application, the bank plans to accept deposits from non-profit, charitable and education organizations and from individual investors through deposit brokers. Such activities will almost certainly attract deposits from financial institutions that are subject to CRA, thereby reducing the resources available to those financial institutions to meet their CRA obligations. The extent of deposit taking planned by the Bank is contained in the non-public part of the application, making it impossible for other institutions and community groups to comment on the effect an exemption would have on them. This is another very important reason why the non-public portions of the business plan must be made public.

Sincerely,



Paul Gillmor  
Member of Congress



Barney Frank  
Member of Congress